



THE CITY OF SAN DIEGO **MANAGER'S REPORT**

DATE ISSUED: April 18, 2001

REPORT NO. 01-075

ATTENTION: Rules, Finance & Intergovernmental Relations Committee
Agenda of April 25, 2001

SUBJECT: Taxicab Permits

REFERENCE: Rules Committee Meeting of March 21, 2001

SUMMARY

THIS IS AN INFORMATION ITEM ONLY. NO ACTION IS REQUIRED ON THE PART OF THE COMMITTEE OR THE CITY COUNCIL.

BACKGROUND

At the March 21, 2001 Rules Committee meeting, during the discussion of taxicab permits, Deputy Mayor George Stevens requested staff to provide the definition of lottery and the estimated cost of medallions.

DISCUSSION

Presently, neither the City of San Diego nor MTDB have in place a definition for the lottery process to be used for distributing permits. Hence, we requested the City's consultant to survey other agencies that use lottery to distribute taxicab permits and outline a process tailored to the City's needs. The consultant outlines the following process:

1. Application process
 - Qualified drivers submit applications
 - Applications are reviewed for eligibility (this may be a simple check of whether applicant appears qualified based on information in application, or may be a thorough verification)

2. Random selection
 - Process is designed to ensure that applicants can verify that they are in the lottery and process is fair
 - Lottery may be conducted by outside firm (e.g., large accounting firm) to ensure both the integrity of the lottery and the appearance of integrity
 - Additional drivers may be chosen in case winners do not qualify in third step of process
3. Permit issuance
 - Winners complete application process
 - Regulatory agency verifies that winners are qualified, (e.g., not current permit owner, five years of experience), perform criminal background check and any other checks
 - Issue permits
 - Winners have set amount of time to put car into service

The consultant also identified a lottery process that enables drivers to apply as a group. The proposed process is attached.

With regards to the cost of medallions, under existing policy, a person who wishes to own a taxi must make an arrangement with an existing permit holder to have the permit transferred. While permits are not for sale per se, the current premium paid to a transferor for a transferable permit is estimated at \$30,000 to \$80,000. The lower amounts would be for taxicabs without Port District permit for access to the airport. The amounts increase depending on the frequency of airport "days," and if membership in a desirable radio service with lots of calls is included. It should be noted that there are additional processing fees paid to MTDB. These are shown on the attached 2001 Fee Schedule for Taxicabs and Other For-Hire Vehicles and Drivers.

Respectfully submitted,

D. Cruz Gonzalez
Director, Transportation Department

Approved: George I. Loveland
Senior Deputy City Manager

LOVELAND/AH/SAH

Note: The attachments are not available in electronic format. A copy is available for review in the Office of the City Clerk.

Attachments: 1. Lottery Process Enabling Drivers to Apply as a Group
2. 2001 Fee Schedule for Taxicabs and Other For-Hire Vehicles and Drivers